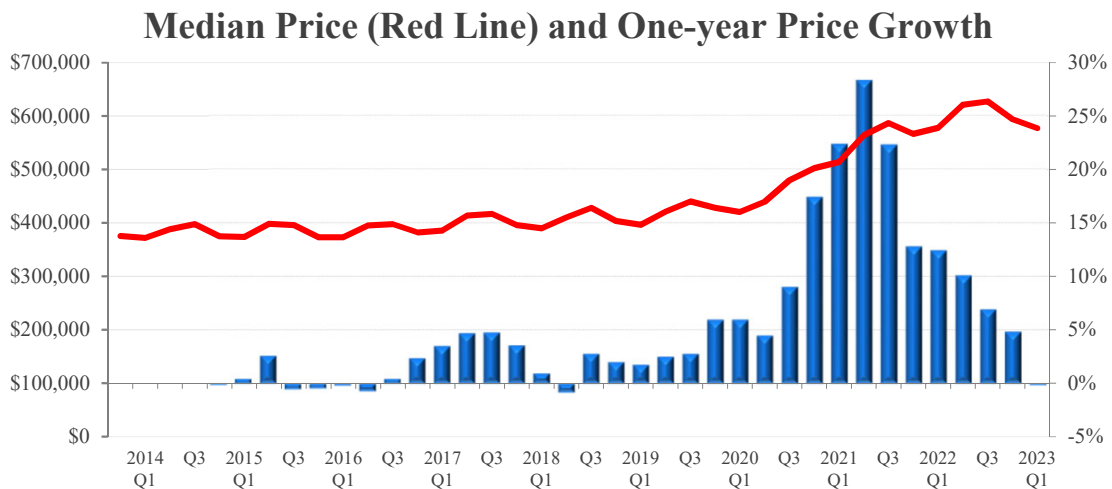


# New York-Newark-Jersey City Area

## Local Market Report, First Quarter 2023

### Today's Market...



<b>Local Price Trends</b>			
<b>Price Activity</b>	<b>New York</b>	<b>U.S.</b>	<b>Local Trend</b>
Current Median Home Price (2023 Q1)	\$577,300	\$366,733	Year-over-year price growth swung negative this quarter after growing last quarter
1-year (4-quarter) Appreciation (2023 Q1)	-0.1%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	37.4%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$157,000	\$94,267	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$204,400	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$205,400	\$175,733	

\*Note: Equity gain reflects price appreciation only

	<b>New York</b>	<b>U.S.</b>	
<b>Conforming Loan Limit**</b>	\$1,089,300	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$1,089,300	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	53%	not comparable	

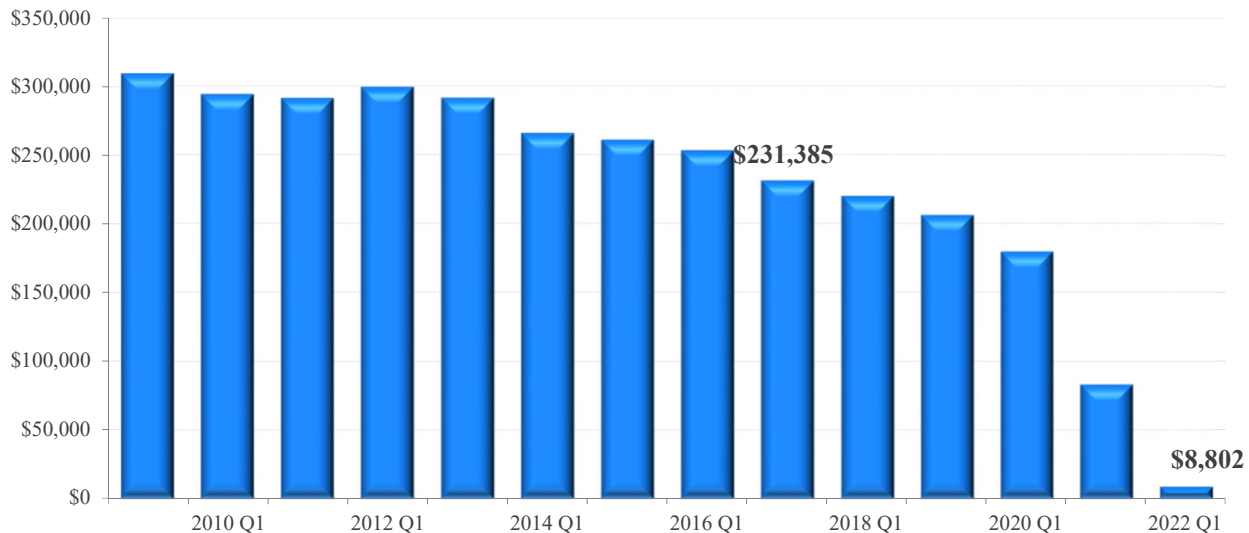
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The New York-Newark-Jersey City market is part of region 2 in the NAR governance system, which includes all of New York, New Jersey, and Pennsylvania. The 2023 NAR Regional Vice President representing region 2 is Ilene Horowitz.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



#### Total Equity Gained\*\* through 2023 Q1 from quarter in which home was of purchased

Price Activity	NewYorkNJLI	U.S.	Local Trend
1-year (4-quarter)	\$8,802	\$7,042	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$179,714	\$108,992	
5-year (20-quarter)*	\$220,163	\$143,305	
7-year (28 quarters)*	\$253,365	\$179,328	
9-year (36 quarters)*	\$265,762	\$206,734	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

# Drivers of Local Supply and Demand...

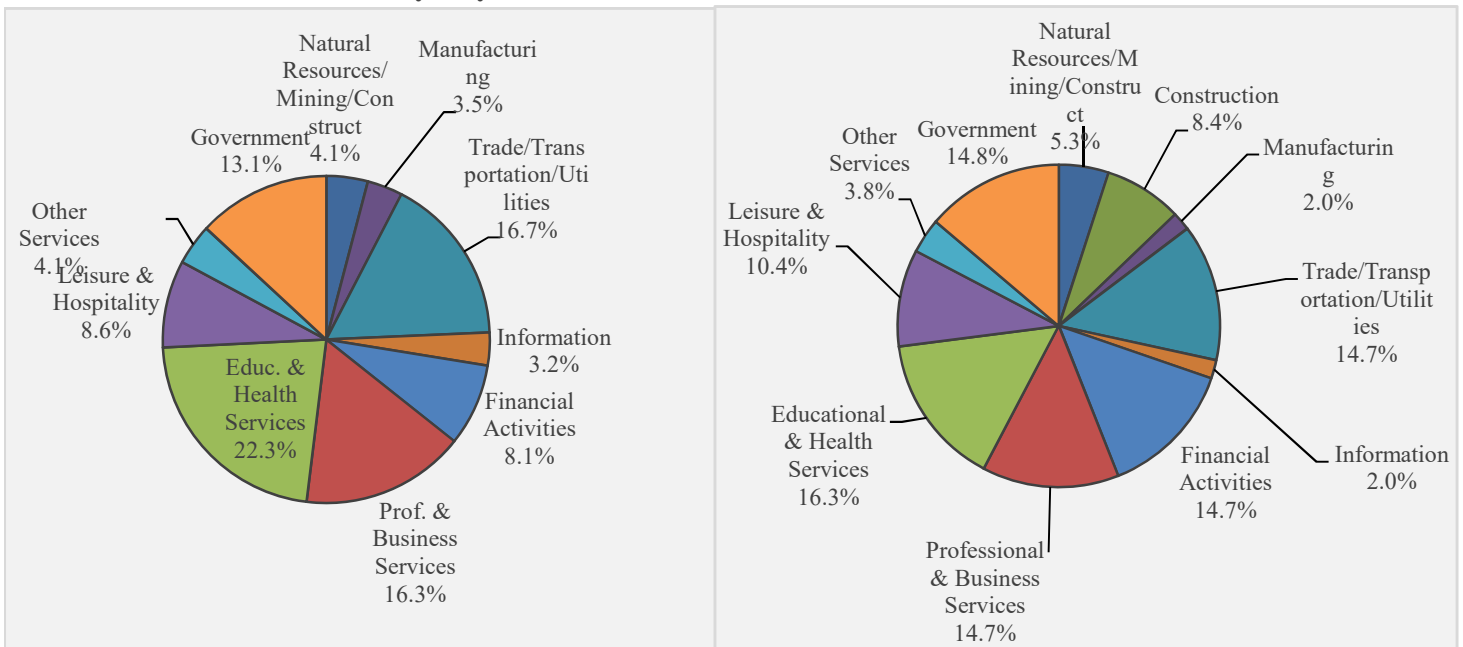


Local Economic Outlook	New York	U.S.	
12-month Job Change (Mar)	277,800	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	290,700	Not Comparable	
36-month Job Change (Mar)	101,000	Not Comparable	New York's unemployment rate lags the national average, but has improved relative to the same period last year
Current Unemployment Rate (Mar)	4.1%	3.5%	
Year-ago Unemployment Rate	4.8%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.9%	3.8%	

## Share of Total Employment by Industry

New York-Newark-Jersey City Area

U.S.



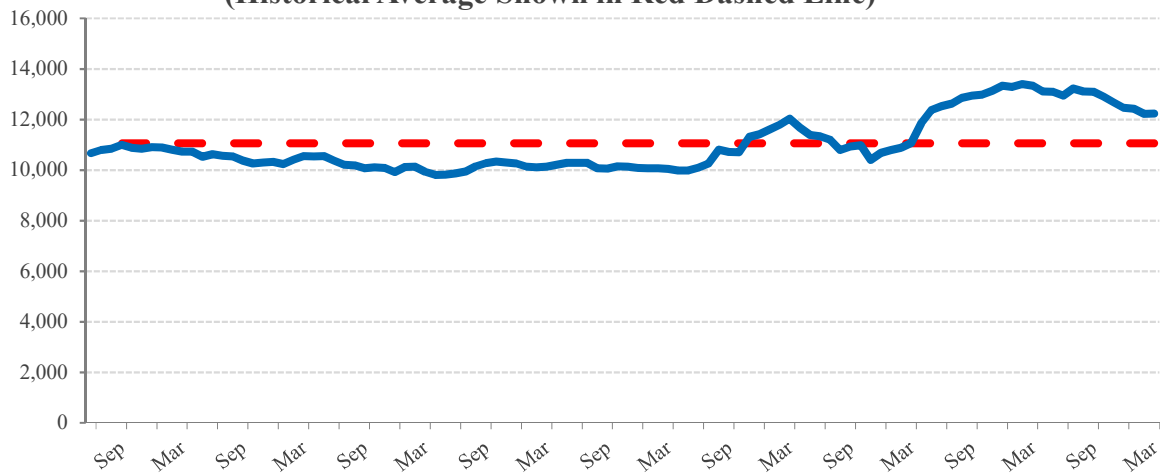
### 12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	2,400
Natural Resources/Mining/Construction	14,600	Financial Activities	22,700
Natural Resources and Mining	NA	Prof. & Business Services	28,600
Construction	NA	Educ. & Health Services	110,900
Manufacturing	3,700	Leisure & Hospitality	81,200
Service Providing Excluding Government	NA	Other Services	15,800
Trade/Transportation/Utilities	3,500	Government	7,300

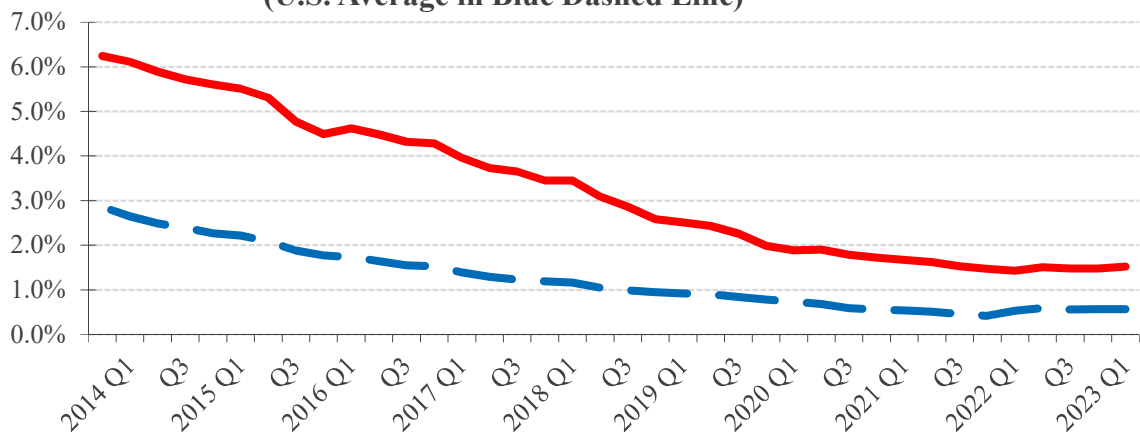
State Economic Activity Index	New York	U.S.	
12-month change (2023 - Mar)	2.9%	3.8%	New York's economy is growing, but decelerated from last month's 3.38% change and lags the rest of the nation
36-month change (2023 - Mar)	5.7%	6.7%	

New Housing Construction			
Local Fundamentals	New York	U.S.	
12-month Sum of 1-unit Building Permits through Mar	12,237	not comparable	The current level of construction is 10.6% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	11,060	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-8.2%	-21.2%	Construction is down from last year, but appears to have bottomed.

**Construction: 12-month Sum of Local Housing Permits**  
(Historical Average Shown in Red Dashed Line)

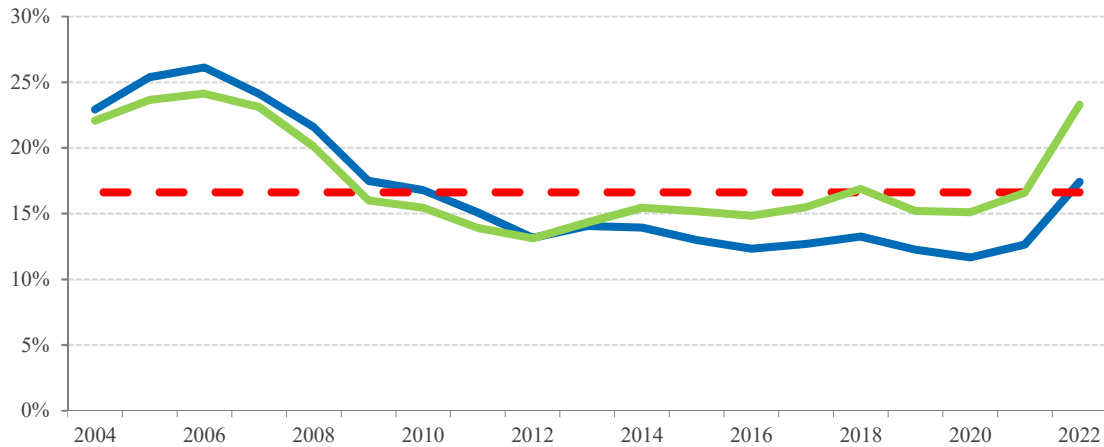


**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



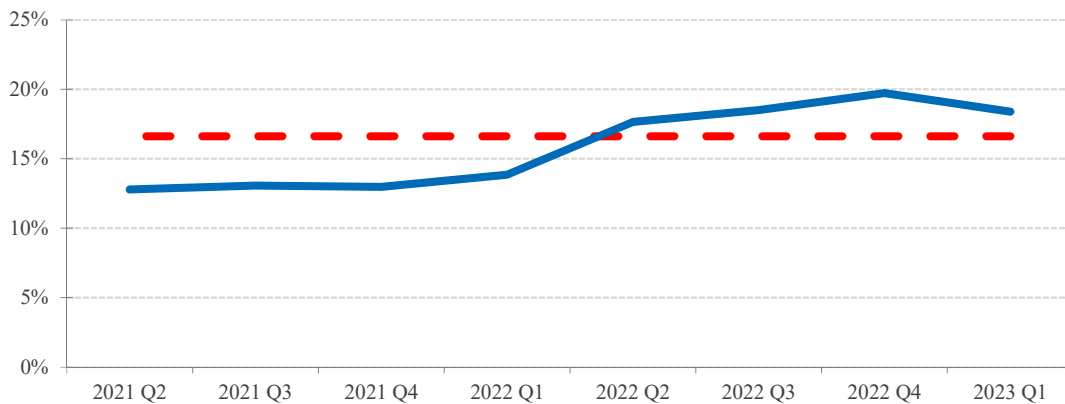
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

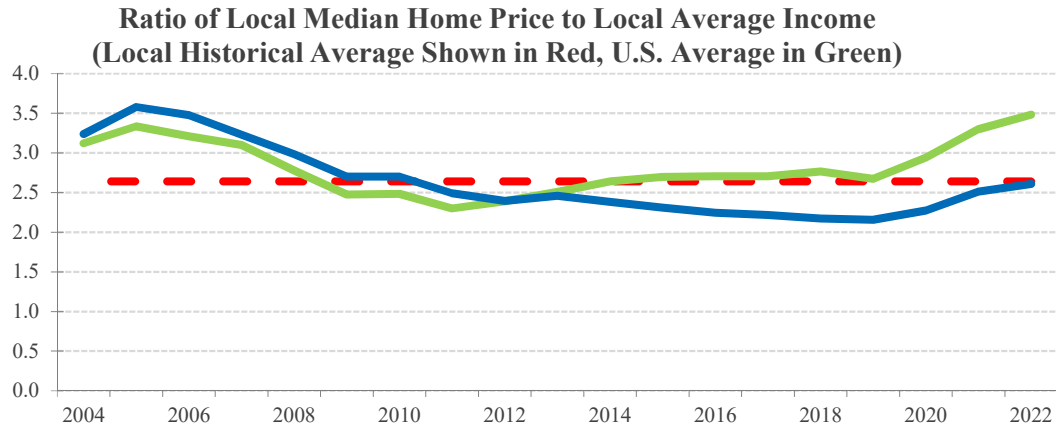


Monthly Mortgage Payment to Income	New York	U.S.	
Ratio for 2022	17.4%	23.3%	Weak by local standards, but better than the fourth quarter of 2022
Ratio for 2023 Q1	18.4%	23.3%	
Historical Average	16.6%	17.8%	More affordable than most markets

**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	New York	U.S.	
Ratio for 2022	2.6	3.5	The price-to-income ratio has fallen and is below the historical average
Ratio for 2023 Q1	2.5	3.1	
Historical Average	2.6	2.8	Affordable compared to most markets



## The Mortgage Market



After surpassing twice the 7 percent threshold at the end of 2022, mortgage rates fell in the beginning of 2023. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 6.36% in the first quarter of 2023 from 6.69% the previous quarter. Nevertheless, rates continue to be 1.7 times higher than the previous year (3.79%). Although rates will continue to fluctuate in the following months, with inflation easing further and the Federal Reserve expected to pause its rate hikes soon, mortgage rates will stabilize near 6% in the second half of the year. NAR forecasts the 30-year fixed mortgage rate to average 6.3% and 6.1% at the second and third quarter of the year, respectively.

## Geographic Coverage for this Report

The New York area referred to in this report covers the geographic area of the New York-Newark-Jersey City metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Dutchess County, NY; Putnam County, NY; Nassau County, NY; Suffolk County, NY; Essex County, NJ; Hunterdon County, NJ; Morris County, NJ; Somerset County, NJ; Sussex County, NJ; Union County, NJ; Pike County, PA; Bergen County, NJ; Hudson County, NJ; Middlesex County, NJ; Monmouth County, NJ; Ocean County, NJ; Passaic County, NJ; Bronx County, NY; Kings County, NY; New York County, NY; Orange County, NY; Queens County, NY; Richmond County, NY; Rockland County, NY; Westchester County, NY

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

